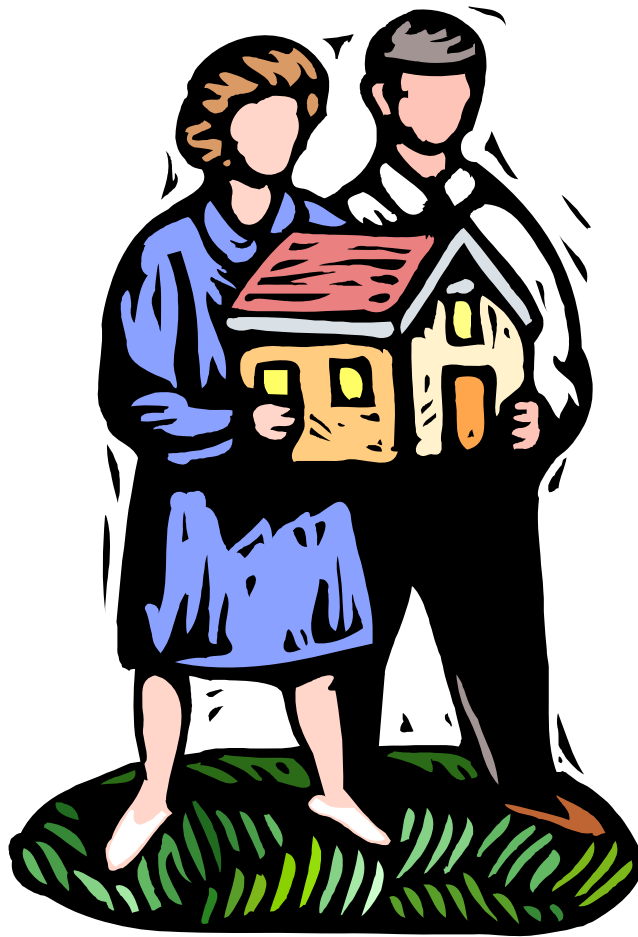


FAUQUIER COUNTY FIRST-TIME HOMEBUYER PROGRAM



INFORMATION PACKET

**Fauquier County
First-Time Homebuyers Program
10 Hotel Street
Warrenton, VA 20186
540-347-8680**

Dear First-time Home Buyer:

We are pleased to provide you with information regarding Fauquier County's First-Time Homebuyers Program.

Fauquier County has received funding from the Virginia Housing and Development Authority's (VHDA) Sponsoring Partnerships and Revitalizing Communities (SPARC) Program.

These funds will provide below market first trust mortgages to eligible low and moderate income first-time homebuyers in Fauquier County.

In FY 2008, SPARC loans available to Fauquier County have an interest rate of one-half (1/2) percentage point below VHDA first-time homebuyer 30-year, fixed-rate mortgage. SPARC mortgages will be available, based on meeting eligibility requirements, to five (5) first-time homebuyers. Additionally, Fauquier County will provide \$20,000 in down-payment/closing costs assistance to those first-time homebuyers, to make the purchase even more affordable.

If more than five eligible applications are received, successful applicants will be selected through a lottery.

To be eligible for SPARC, applicants must:

- Purchase a home in Fauquier County
- Be a first-time homebuyer, or not have owned a home in the past three years
- Total household income cannot exceed: \$75,600
- Property purchase price cannot exceed: \$408,100

As a first step in the process, applicants must complete a First-Time Homebuyer Assessment Form to determine program eligibility. Completed First-Time Homebuyer Assessment forms must be received by 4:30 p.m., November 15, 2007.

Attached you will find the following information sheets that will assist you in becoming a first-time homeowner. If you have any questions please call 540-347-8680 and staff will assist you.

Attachments:

- ♦ Steps to Home Purchase
- ♦ First-Time Homebuyer Assessment Form
- ♦ Procedure for Applying for First-Time Homebuyer Workforce Housing Program
- ♦ Check your Credit Rating
- ♦ What is VHDA?
- ♦ What is SPARC (Sponsoring Partnerships And Revitalizing Communities)?
- ♦ The Buyer's Bill of Rights
- ♦ Condominiums 101
- ♦ Vacating an Apartment
- ♦ VHDA lender list

STEPS TO HOME PURCHASE

1. COMPLETE THE ATTACHED FIRST-TIME HOME BUYER ASSESSMENT FORM.

Return the completed assessment form for evaluation. If You have questions call 540-347-8680.

2. ATTEND A FIRST-TIME HOME BUYER SEMINAR

Workshops about the first-time home purchase process will be held during Fall, 2007. To add your name to the list to be notified when these are scheduled, call 540-347-8680. This information will also be posted on the Intranet.

3. CHECK YOUR CREDIT RATING

Call one of the following numbers:

- Experian: 1 888 397-3742
- Equifax: 1 800 685 1111
- Trans Union 1 800 888 4213

These numbers will give you information on obtaining your credit report. If you find that you have debts on your report that are not yours, etc., you should contact the creditor and address the problem. Ask the creditor to contact the credit company with the corrected status of your credit.

There are many consumer credit counseling agencies in the area that can assist you if you need further assistance with a credit problem, including:

Virginia Cooperative Extension
Svc.
24 Pelham Street
Fauquier County, VA
(540) 341-7950

Consumer Credit Counseling
604 S. King Street
Leesburg, VA 20176
(703) 777-3787

Consumer Credit Counseling
114 N. West Street
Culpeper, VA 22701
(540) 825-5394

Fauquier County Employee Assistance Program
800-346-5484
www.anthemEAP.com

EAP Financial Assistance – You receive a 30 minute counseling session at no cost with staff financial counselors. Typical matters include credit counseling, debt and budgeting assistance, retirement planning, etc.

4. PRE-QUALIFY OR GET PRE-APPROVED FOR A MORTGAGE LOAN

Make an appointment with a loan officer at a bank or mortgage company. (Take a copy of last year's tax return with you.) A referral list of VHDA-approved lenders is in the information package.

NOTE: The SPARC program provides assistance only with down payment and closing costs; it does not lend money for mortgages.

5. SELECT A REAL ESTATE AGENT

Ask family and friends for recommendations. Interview agents before making a selection and signing any working agreement. Learn about Buyer agency and the benefits of using a Buyer agent when purchasing. Verify the real estate agent is licensed to do business in Virginia. Ask for a copy of the Buyer's Bill of Rights.

FAUQUIER COUNTY, VIRGINIA

First-Time Homebuyers Assessment Form

	Applicant	Co-applicant
Name		
SSN		
Address – Street		
City, State and ZIP		
Home Phone		
Work Phone		
Employer's Name		
Gross Annual Income (income before taxes)		
Monthly Debts (sum of minimum required payments on car loans, credit cards, etc.; do not include rent and utility amounts)		
Available cash for purchase		
Family size		

Have you owned a home within the
last three (3) years?

Yes ☐

No ☐

Do you currently live in Fauquier
County?

Yes ☐

No ☐

Do you currently work in Fauquier
County?

Yes ☐

No ☐

Do you currently work for a local
government in Fauquier County
(Fauquier County or Schools, Town of
Warrenton, Town of The Plains, Town
of Remington)?

Yes ☐

No ☐

If you have any questions regarding completing this form, please call 540-347-8680.

I affirm that the information provided on this form is accurate and true.

Signature: _____ Date: _____

Procedure for Applying for First-Time Homebuyer Workforce Housing Program

Once you have completed the First-Time Homebuyer Assessment Form and submitted it to Fauquier County, you will be notified in writing, if you are eligible for participation in the First-Time Homebuyers Program.

After you have received the letter stating your eligibility for the program, mail the following information to

Fauquier County
First-Time Homebuyers Program
10 Hotel Street
Warrenton, VA 20186

- The Certificate you received upon completion of the Homeowner Education Classes
- A copy of a Good Faith Estimate/Pre-Qualification Letter from a mortgage lender, stating that you minimally qualify for an FHA, VA, VHDA, or conventional mortgage. Only households meeting the income guidelines are eligible for placement onto the Notification List.

This documentation must be received by Fauquier County by 4:30 p.m., on January 25, 2008. Only complete documentation will be considered.

Notification List Selection Process

- Potential recipients of SPARC mortgages and down payment/closing costs assistance will be chosen by lottery from the pool of eligible applicants.
- If selected applicants decide not to participate in the program, an alternate applicant will be selected by lottery from the remaining pool of eligible applicants.
- The County reserves the right to prioritize applicants by such factors as persons currently working for a local government in Fauquier County, need, first-time homebuyers, and persons currently living or working in Fauquier County.

CHECK YOUR CREDIT RATING

Each person is entitled to one FREE credit report each year. Get your free annual credit report online @ www.annualcreditreport.com. You can also request your report by phone or mail. Call toll free: 1-877-322-8228.

Hearing impaired consumers can access TDD service at 1-877-730-4104.

If you have been denied credit, insurance or employment based on information in your credit report from a credit reporting agency within the last 30 days, your copy of your credit report is provided FREE of charge.

Otherwise additional credit reports are available at cost from credit reporting agencies:

1) EQUIFAX - Cost of Report: \$9.50

Call: 1-800-685-1111 - 8:00 AM to 11:00 PM 7-days a week.

Write: Equifax Credit Information Services

P.O. Box 105851

Atlanta, GA 30348

www.equifax.com

2) EXPERIAN - Cost of Report: \$9.50

Call: 1-888-397-3742

P.O. Box 2002

Allen, Texas 75013

www.experian.com

3) TRANS UNION - Cost of Report: \$9.50

Call: 1-800-888-4213

Write: Trans Union Consumer Services

P.O. Box 1000

Chester, PA 19022

www.transunion.com

You must include a copy of documents showing name and address such as a copy of your driver's license, voter registration card, or billing statement that verifies your current address.

When you request your credit file you must provide the following information:

- Your full name, including middle initial, and JR or SR.
- Any other name by which you have been known, such as maiden name.
- Current address, including City, State, and Zip Code.
- Any former address during the last 5 years with Zip Code.
- Social Security Number.
- Date of Birth.
- Spouse's name (if married).

What is VHDA?

The Virginia Housing Development Authority is a \$6.6 billion housing finance organization that holds one of the highest ratings in the nation. VHDA is completely self-supporting and relies on neither federal nor state funds for its operations.

How does VHDA help potential homeowners?

VHDA has several mortgage loan programs developed to meet the needs of low- to moderate-income first-time homebuyers. These loans are originated primarily by private lenders. Included as part of the Single Family services are VHDA's Homeownership Education Classes, which are provided at no cost to the public, on an ongoing, statewide basis.

How does VHDA help developers and landlords?

VHDA's Multifamily Division provides mortgage loans to private sector developers, primarily for multifamily rental projects for low- and moderate-income tenants. VHDA also administers the federal low-income housing tax credit program.

How is VHDA funded?

All of the funds that support VHDA programs are provided by the private sector through the purchase of VHDA bonds. The bonds do not constitute a debt or obligation of the Commonwealth.

Who comprises the Board of Commissioners?

The VHDA Board of Commissioners is comprised of 10 members, all of whom are appointed by the governor. Seven are direct appointees. The treasurer of Virginia and a representative of the state Board of Housing and Community Development serve ex-officio. The Director of the Department of Housing and Community Development also serves ex-officio and as a non-voting member.

The Virginia Housing Development Authority does not discriminate on the basis of race, color, religion, sex, age, national origin, family status or disability.

Equal Housing Opportunity

What is SPARC?

SPARC- Sponsoring Partnerships and Revitalizing Communities

The SPARC program provides below market rate loans for first time homebuyers through special allocations made to local housing groups. SPARC funding is intended to assist these housing groups in addressing critical housing needs facing their communities. (Allocations are made annually on a competitive basis.) Interest rates are ½ - 1% below VHDA's published First-time Homebuyer Program rates. Special income limits and criteria determined by the housing organization may apply.

Features:

- Down payment based on specific program selected
- Most First-time Homebuyer Programs are eligible
- Standard program qualifying applies
- Authorization for reservation must be obtained by the specific SPARC housing organization

The Buyers' Bill of Rights

It is important that buyers of real estate understand some fundamental points before they begin the process of buying a home. Listed below are a few points you should consider before you start. If you work with a real estate agent who is a member of the Northern Virginia Association of Realtors ("Realtor®") they are held to a higher standard of conduct than someone who has a real estate license *but is not a Realtor®*. If you work with a Realtor®, it is possible to go to the Northern Virginia Association of Realtors if you have a problem with an agent or company.

You have a right to:

1. Have a Realtor® represent you in the transaction.
2. Consult with a lender prior to making an offer to purchase.
3. Receive a sample contract prior to making an offer.
4. Receive an estimate of the mortgage payment and cost to close.
5. Select your own settlement company, lender and other professionals.
6. Choose the house you want to see from the entire list of homes for sale in your price range.

Additionally, a prudent Buyer can be better informed with answers to the topics below; do not be afraid to ask for answers to the following important questions regarding:

the Agent:

- a) Will this agent be representing the Buyer (me) or the Seller in my transaction?
- b) Does this agent have a valid Real Estate Sales or Brokers License?
- c) Is this agent a member of NVAR (a Realtor®) in good standing?

the Process:

- d) Will my offer be in writing and presented in a timely manner?
- e) What will happen if my offer is accepted or rejected?
- f) Will all deposits for this transaction be held in an escrow account?
- g) What type of financing is proposed?

The Fair Housing and Equal Housing Opportunity Committee of the Northern Virginia Association of Realtors (NVAR) provides this information as resource. In addition the Virginia Real Estate Board governs the licensed activities of the real estate industry with regard to the buying and selling of residential real estate. For more information on real estate transactions in Northern Virginia please contact:

Northern Virginia Association of Realtors (NVAR) 703-207-3200
Virginia Real Estate Board (VREB) Fair Housing Office 804-367-8530
Affordable Housing Task Force <http://www.NVAR.com/affordable>

The trade associations and agencies listed above are dedicated to assisting consumers with information and solutions to problems or difficulties arising from the purchase of a home. If you are encountering difficulty in purchasing a home, feel you are being treated unfairly or just have a question to ask please call any of the agencies or associations listed above.

CONDOMINIUMS 101—THE BASICS

1. What is a Condominium?

Under a condominium plan, residents hold legal title to their units, as if they were freestanding houses. In addition, they own a proportional share of “common elements”, like lobbies, yards, roofs, parking lots, and recreation facilities. Condominiums come in a wide range of sizes and styles, including town houses, garden apartments, high-rise towers, and even freestanding houses sharing private streets or courtyards.

2. How does “fee-simple” ownership differ from condominium ownership?

With fee simple ownership, you normally have all of the rights and responsibilities of home ownership. These include control over maintenance, property alterations, renting your property, etc. With a condominium, control over the property is derived from participation in the homeowner’s association. The management team hired by the condominium homeowner’s association has responsibility for the day to day operation of the property. There will be more restrictions on a condominium unit than on a fee simple property.

3. How does a Condominium (Condo) differ from a Cooperative (Co-op)?

As stated above, with a condominium you own your own unit as well as a proportionate share of the common area amenities. With a cooperative, you do not “own” the unit. Instead you own proportionate shares in the cooperative as a whole, that give you the right to occupy your unit and enjoy the common areas and amenities (like owning stock in a company). Cooperatives can generally borrow money directly (unlike condominiums), and may place additional restrictions on occupants (relative to a condominium).

4. What are the advantages of Condominium ownership?

- Little to no maintenance responsibilities
- Can buy, sell, or refinance with few if any restrictions
- Housing cost typically lower than fee simple home
- Housing expense can be lower than renting comparable unit
- Relatively stable housing expense (versus rental)

5. What are some potential disadvantages of Condominium ownership?

- Sometimes difficult to create sense of community (especially if large percentage of units owned by investors)
- Communal living—not for everyone
- Your rights and responsibilities restricted by condominium documents (can be advantage and/or disadvantage)
- If condominium has not planned adequately for its expenses:

1. The monthly condominium fee can increase annually, or

2. A one-time “special assessment” fee can be collected from the owners of the condominium units

6. How is Condominium housing expense calculated?

For condominiums, mortgage lenders calculate your housing expense as follows:

Housing Expense equals:

Principal + Interest + Taxes + Insurance + Monthly Condominium Fee
(excluding utilities)

Note: Utility costs are normally excluded from the Housing Expense. You may need to remind your mortgage lender of this fact, so that you are not penalized for purchasing a condominium that has some or all of the utilities included in your monthly condominium fee.

7. What to look for: Desirable Condominium attributes

- High owner-occupancy rate (minimum of 51%)
- Stable monthly condominium fee
- Sufficient capital reserves (as evidenced in 5 year capital improvement plan)
- Strong, professional condominium management team (both on-site and parent company)
- Active, involved condominium Board of Directors
- Well maintained common areas
- Association rules regarding occupancy, parking, pets, etc.
- Independent utility meters? Pros and Cons:

1. Pro—you only pay for the utilities you actually use

2. Con—utilities not included in monthly condominium fee. Larger condominium complexes may be able to buy energy at lower costs.

8. Additional Research Resources—Try your local library

- The Condo/Co-op Owner’s Survival Manual, by Harry M. Matthews, Jr.
- The Co-op Bible—Everything You Need to Know About Co-ops and Condos, by Sylvia Shapiro
- The Complete Guide to Co-ops and Condominiums, David T. Goldstick and Carolyn Janik.
- The Complete Condominium Guide, by Bruce Cassiday
- Condominiums and Cooperatives, by David Cluran and Edna L. Hebard
- The Complete Idiot’s Guide to Online Buying and Selling a Home, by Matthew O’Brien

VACATING AN APARTMENT

Give your landlord written notice 30 days before you plan to leave. This notice must be given 30 days before the next rent due date (usually the first day of the month). Keep a copy for yourself.

Tell your landlord in writing you want to be present when your rental property is inspected (for damage) after you vacate. (The landlord has the right to set the date and time of inspections).

When the landlord inspects for damage and cleanliness, ask if there are problems. To prevent deductions from your security deposit, you may want to correct the problems yourself. If so, you should tell the landlord exactly when the problem(s) will be corrected.

Clean your apartment, particularly the kitchen and its appliances and the bathroom.

Remove all trash and personal belongings; sweep all bare floors, and vacuum carpets.

Return all keys to the apartment, mail box, storage and parking areas.

Within 30 days after you leave, your landlord must return your security deposit, plus any interest due under law, or send you an itemized statement indicating why part or all of the money was withheld.

The landlord may deduct for:

- Physical damage you did to the property
- Cleaning if the unit was left dirty
- A second coat of paint, if you painted the walls a dark color or left them scarred or dirty
- Unpaid rent
- Other costs provided for in the lease

Make sure the landlord has your new address.

VHDA-Approved Lenders in Warrenton

The following is list of VHDA-approved lenders local to Warrenton.

Branch Banking & Trust Co. of VA	236 Lee Hwy Warrenton, VA 20186	(540) 351-6165
Southern Trust Mortgage, Inc.	400 Holiday Court Suite 103 Warrenton, VA 20186	(540) 351-6100
Mortgage Access DBA Weichert Financ	67 West Lee Hwy. Warrenton, VA 20186	(800) 385-9860
Wells Fargo Home Mortgage, Inc.	47 Garrett Street #5 Warrenton, VA 20186	(540) 341-1420
Bank of America, N.A.	403 Holiday Court Ste 103 Warrenton, VA 20187	(540) 347-3149
SunTrust Mortgage, Inc.	251 West Lee Highway Warrenton, VA 20186	(540) 347-7081

Other branches of these lending institutions, as well as a complete list of other VHDA-approved lenders can be found by going to their web site: www.VHDA.com. This web site will also provide names and phone numbers of specific loan officers, as well as maps on how to reach their offices.